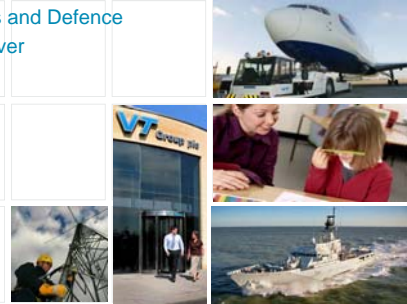


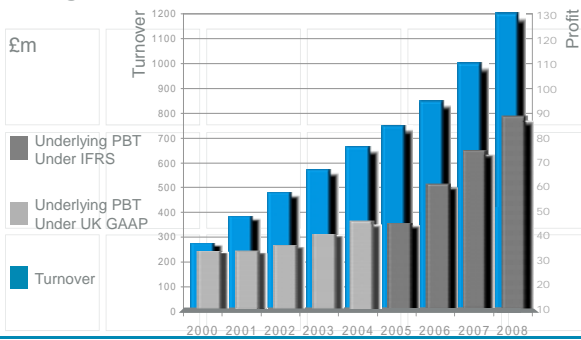
Chris Cundy
Group Commercial Director
VT Group plc

Introduction

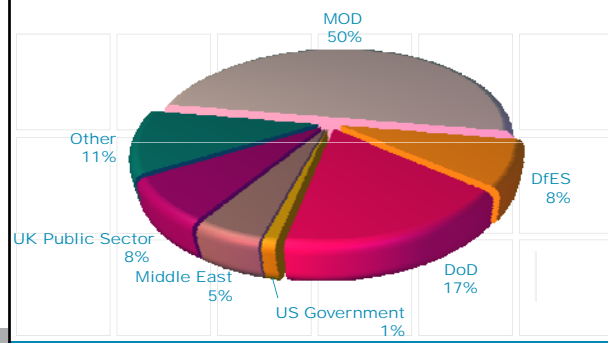
- Support Services and Defence
- £1.2 billion turnover
- 14,000 Employees
- Head Offices in Southampton, England & Atlanta, Georgia USA



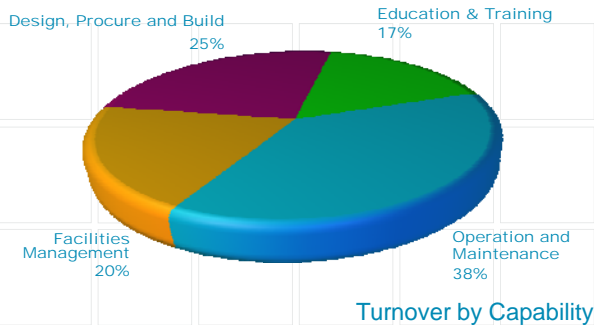
Long Term Growth



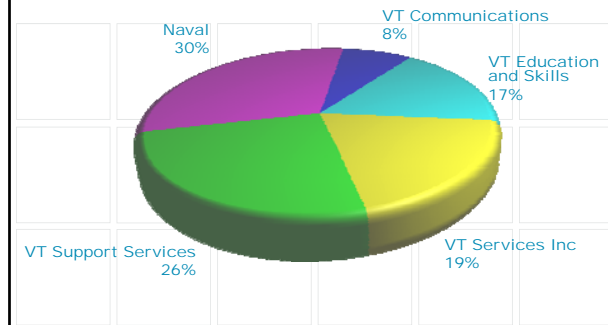
Customers



Capabilities



Divisional



VT is an engineering based support services business

Provides business critical support to our customers

Defence support services will remain at our core

We can significantly grow our business using this strategy

Defence Market Place

- Strategic Defence Review
- Defence Industrial Strategy
 - Emphasis on Through Life Cost
 - Delivery to time and budget
 - Increased expectation of partnering
- Budgetary pressures

VT/MOD Relationship

- Use of partnering
- Through Life Capability Management
 - Availability contracting
 - Upgrade to platforms
- Innovative financing
 - PFI/PPP
 - Budget pressures
- Sovereign capability retention
 - Stable forward workload
 - Internationally competitive
 - Reduce cost

➡ “Number One Supplier”

VT Flagship Training Limited

- Partnership to deliver Naval training
- Covers everything from FM to training delivery
- All establishments
- 15 year partnering arrangement



VT Flagship Training Limited

- Competitive dialogue to select partner
- Overarching contract to cover
 - Facilities, Income Generation, PFI/New Facilities
- Initial value zero
 - Contracts awarded on VFM basis
- Need to maintain Royal Navy ethos
- Evolution over time
 - Closed establishments
 - Change to working practices

UK MFTS

- UK Military Flying Training System
- Tri-service project
- £3bn to VT over 25 years
- Consortium comprises VT and Lockheed Martin
- Contract signed June 08



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UK MFTS


- Negotiation
 - Partnering behaviours
 - Delivery/Innovation
- Delivery
 - First PFI signed
 - Co-location with customer
 - Work as team to delivery further upgrade

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DHFCS

- Defence High Frequency Communication Service
- Combined all fixed military high frequency systems
- £220m project over 15 years
- Upgrade and operation



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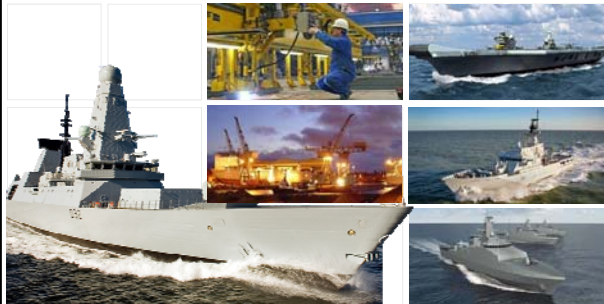
DHFCS

- Competitive contract
- Contract phased to meet financial budgets
- Utilised tailored partnering workshops
- Operational capabilities delivered early
- Awarded Min(DES) Acquisition Award 2007

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Naval Sector



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Naval Sector

- Relocation of shipbuilding facilities
- Type 45
- River Class Vessels
- Maritime Industrial Strategy
- CVF
- BVT Surface Fleet

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Conclusion

- Understand your customer/market
- Alignment to customer objectives
- Projects need reliable supply chain
- Long term relationships
- Commitment to flexibility and continuous improvement
- Relationship which is open and has trust

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